
Best Value For Every Dollar Spent

*Tangible Result Driver – Roberta Broeker,
Chief Financial and Administrative Officer*

Providing the best value for every dollar spent means MoDOT is running its business as efficiently and effectively as possible. A tightly managed budget means more roads and bridges can be fixed. That keeps Missouri moving. This is one of MoDOT's values because every employee is a taxpayer too!



Best Value for Every Dollar Spent

Number of MoDOT employees (converted to Full-Time Equivalency)

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Micki Knudsen, Human Resources Director

Purpose of the Measure:

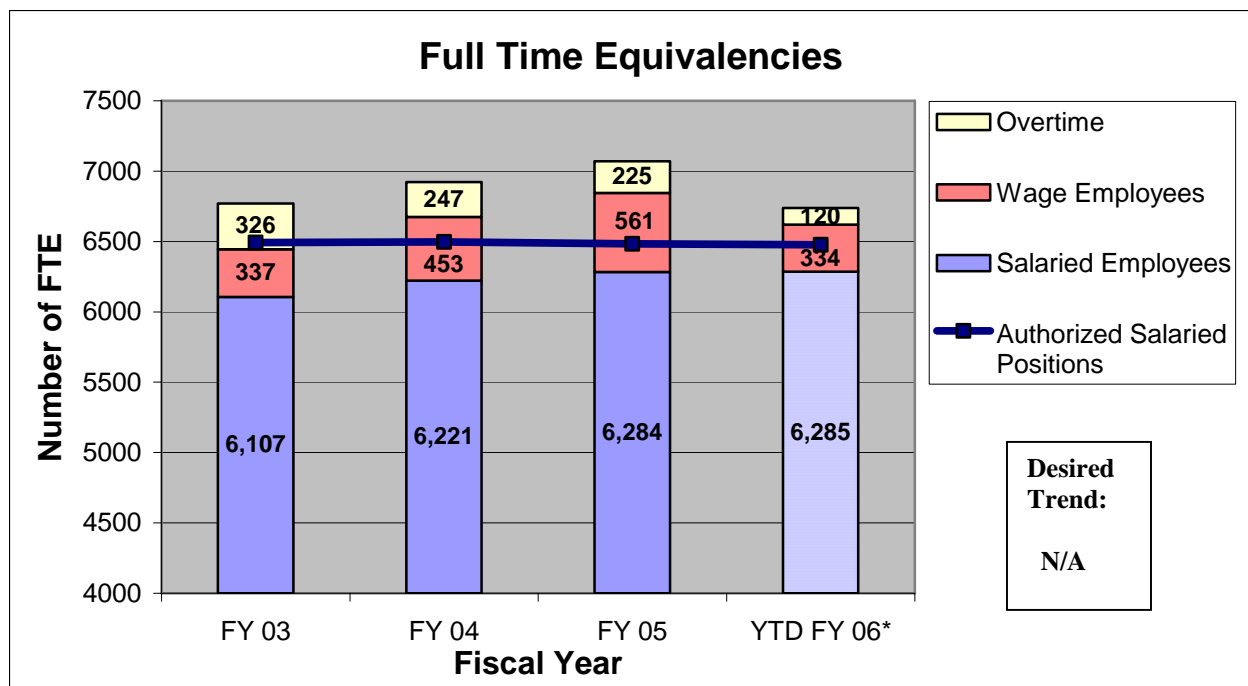
This measure tracks the growth in the number of employees within the department. The measure has been changed to include wage employees and the hours of overtime worked by all employees converted to full-time equivalency (FTE). To convert these numbers to FTEs, we divided the total number of hours worked by 2080. This measure is now a more accurate reflection of the amount of employees working for MoDOT. Data for the current year has the actual FTE for salaried employees to date annualized.

Measurement and Data Collection:

The data is collected and reported in the first quarter of each fiscal year. The data is a high-level view of overall staffing at MoDOT in relation to authorized positions that could be filled.

Improvement Status:

For FY 06, MoDOT has 6476 authorized salaried positions. As of December 31, 2005, the actual number of employees is 6350. The number of wage employees has fallen to under 500. MoDOT has additional 530 individuals available for emergency snow removal, if needed. A team has developed recommendations to improve the seasonal program. Recommendations for streamlining processes and improving communication have been distributed to districts for implementation this season. Additional improvements are being considered at the departmental level. Staff members are closely monitoring recent changes to MoDOT's pre-employment screening process (tax-compliance, background checks, CDL requirements and work simulation) to ensure these changes do not hinder the department's ability to bring seasonal employees on board.



*For FY 06, the Salaried Employees data has had the FTE for salaried employees used to date converted to an annual number for ease in comparison to the authorized positions. This could not reasonably be accomplished for wage employees or for overtime. Overtime includes both salaried and wage employees.

Best Value for Every Dollar Spent

Percent of work capacity based on average hours worked

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Micki Knudsen, Human Resources Director

Purpose of the Measure:

This measure shows how many hours the average employee works. It can assist management in determining staffing and productivity levels.

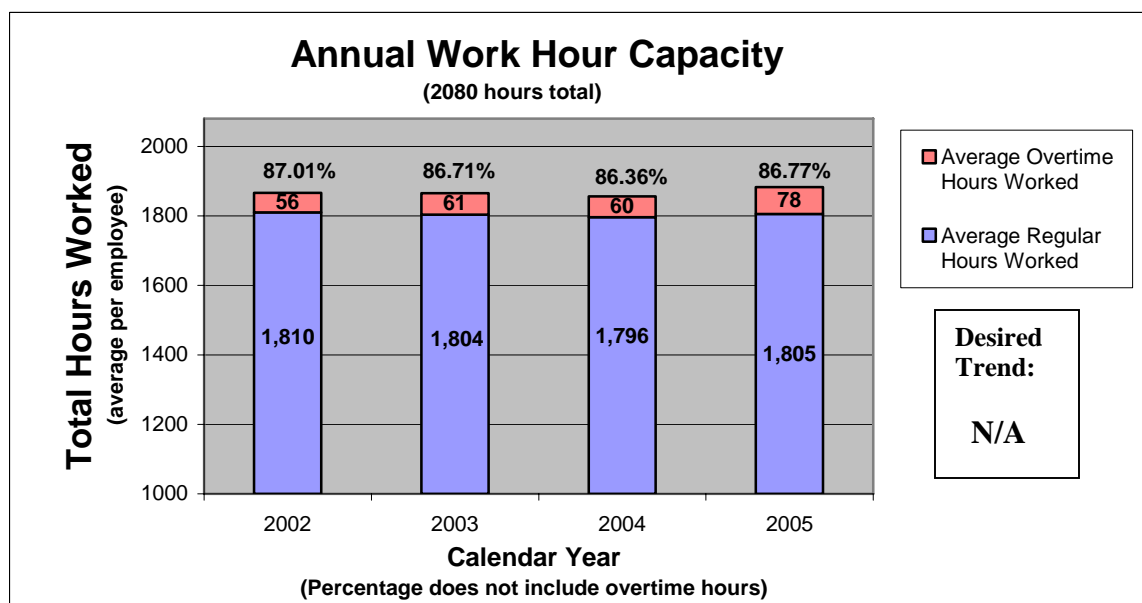
Measurement and Data Collection:

This measure tracks organizational work capacity based on average regular hours worked and average overtime hours worked by employees. This measure also displays the percentage of regular hours available that are worked.

The average regular hours worked does not include seasonal or wage employees. The average overtime hours worked does not include exempt, seasonal, or wage employees.

Improvement Status:

Although the number of regular hours worked by MoDOT employees over the past few years has remained relatively constant, the department has seen a 30 percent increase in the amount of overtime worked by its employees. This increase is most likely due to the additional work attributed to the Smooth Roads Initiative (SRI). The coming year will likely see a repeat of the additional overtime worked in 2005, due to the Governor's challenge that MoDOT complete the SRI projects a year ahead of schedule. A committee continues its work to develop an implementation plan for improving the administration of leave usage. As a result of this committee's work, so far, reports are available for local HR staff to use to analyze leave use and identify misuse. In addition, district HR staff are sharing best practices of dealing with employees that abuse leave. Strategies for dealing with leave misuse will be communicated to all supervisors as a part of the Annual Policy Review, which will be available in March.



Best Value for Every Dollar Spent

Rate of employee turnover

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Micki Knudsen, Human Resources Director

Purpose of the Measure:

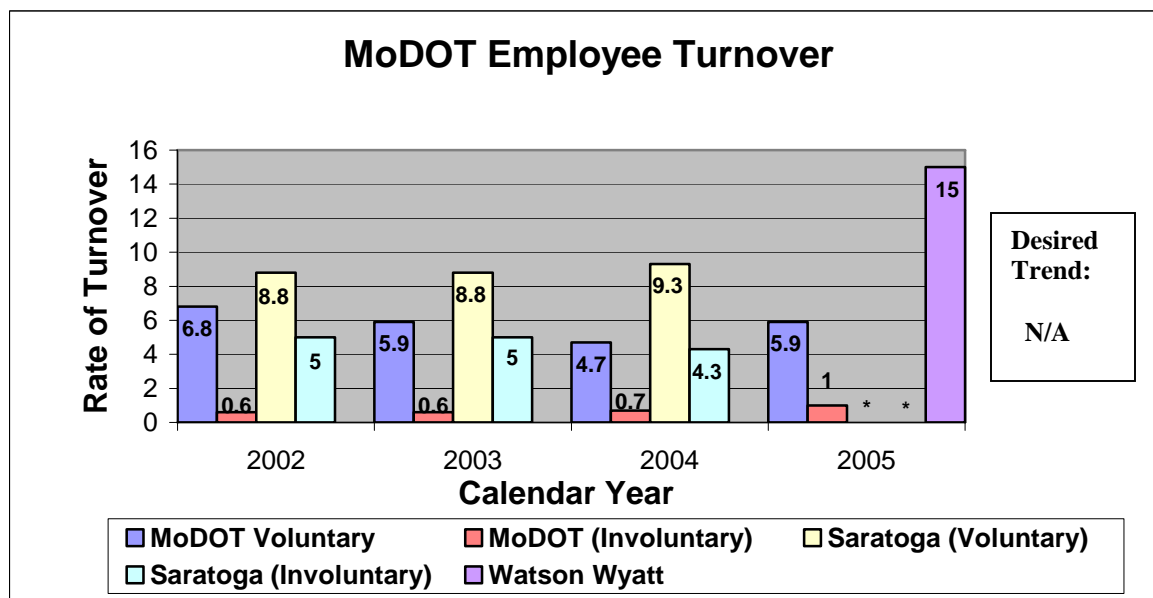
This measure tracks the percentage of employees who leave MoDOT annually and compares the department's turnover rate to benchmarked data. Voluntary turnover includes resignations and retirements. Involuntary turnover includes dismissals only. Turnover rate includes voluntary separations, involuntary separations and deceased employees.

Measurement and Data Collection:

The data will be collected statewide to assess employee overall turnover. Comparison data will be collected from various sources annually. Previous benchmark data was "dated," therefore, new benchmarks were found. Saratoga Institute surveyed 288 organizations representing a wide variety of industries. The Watson Wyatt study determined the optimum turnover rate versus organizational financial performance.

Improvement Status:

MoDOT's turnover rate rose to 7.2 percent for calendar year 2005. This represents a 26 percent increase over 2004. MoDOT has seen a steady decline in the number of retirements over the last four years. In 2003, over 51 percent of our turnover was due to employees retiring; in 2005, only 33 percent of total turnover was due to retirement. In 2005, MoDOT had 74 separations in civil engineering (CE) positions. Of those, 42 were in the Kansas City, St. Louis, and Springfield districts. HR increased the salary offer by 4 percent to CE graduates in the metropolitan districts last fall. Although our acceptance rate for civil engineers declined, 68 percent of the acceptances were in the metropolitan areas where turnover is the highest. MoDOT's involuntary rate was 1 percent in calendar year 2005. MoDOT recently implemented an automated system for advertising vacancies internally and externally (on the internet) allowing HR to begin tracking the time to fill positions.



* Saratoga's data was unavailable at time of print for CY 2005.

Best Value for Every Dollar Spent

Percent of satisfied employees

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Micki Knudsen, Human Resources Director

Purpose of the Measure:

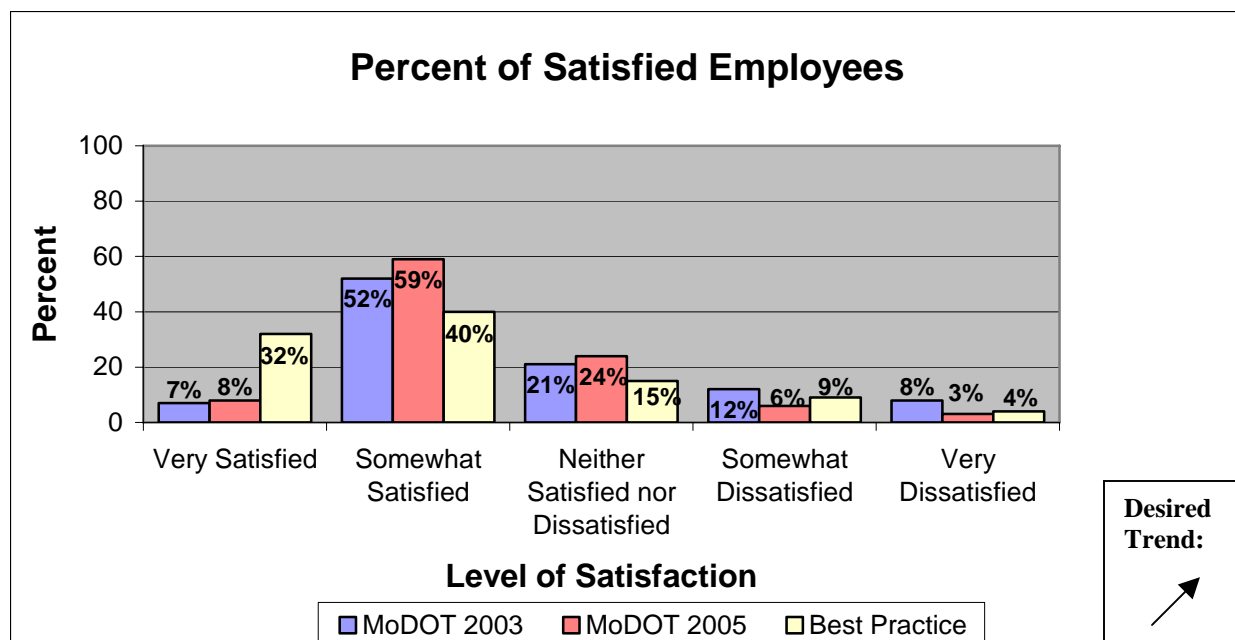
This measures the level of employee satisfaction throughout the department in comparison to the organization that scored the best in employee satisfaction using the same survey instrument.

Measurement and Data Collection:

Employee satisfaction is measured using 18 items from an annual employee survey, Organizational Performance Survey (OPS). Comparison organization data is collected from the vendor of the OPS.

Improvement Status:

The 2005 Executive Summary and Behavioral Health Concept's final report with appendices were distributed to employees for review via the intranet. The webpage includes an email address to which employees can submit and review questions and comments. Written comments have been reviewed by the director, chief engineer, chief financial and administrative officer, and human resources director; and a summary of the major themes of the comments was provided to senior management. Senior management assigned a task force to partner with the Employee Advisory Council (EAC) to develop and prioritize a comprehensive action plan to address the issues of greatest concern to employees and concerns that continue to push overall ratings down. The task force is scheduled to meet with the EAC on February 27. To assess deployment of "decision-making at the lowest levels within MoDOT," a survey was sent to over 1100 employees in late January, which will allow them to evaluate their supervisor on trust and empowerment.



Best Value for Every Dollar Spent

Number of lost work days per year

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Beth Ring, Risk Management Director

Purpose of the Measure:

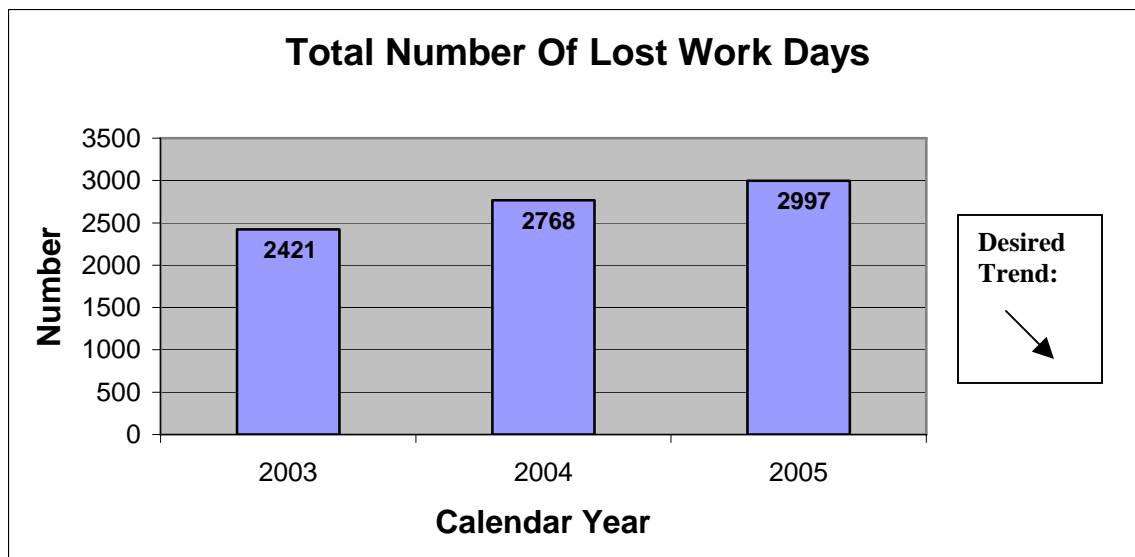
This measure tracks the actual number of days that employees cannot work due to work-related injuries sustained during the reporting period. Note that the results do not include lost workdays for injuries that occurred during previous reporting periods.

Measurement and Data Collection:

The data is collected from Riskmaster, the risk management software, and reported quarterly.

Improvement Status:

The number of lost workdays for calendar year 2005 is 8 percent higher than the same period last year while the number of lost time incidents decreased by 13 percent for the same period. The injuries sustained this year are more severe than last year. The largest increase in lost workdays occurred in Districts 5, 7 and 9. In an effort to reduce these injuries and related lost days, we are issuing written warnings for safety violations at an increased pace and implemented a work simulation physical exam program for new applicants. We are developing a post-incident physical program and a statewide return to work program. District and Central Office Risk Management staff reviews all incidents monthly and identifies and adjusts processes and equipment that are causing injuries.



Best Value for Every Dollar Spent

Building expenditures per square foot

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Chris DeVore, General Service Manager - Facilities

Purpose of the Measure:

This measure tracks the cost of operating department buildings, building capital improvements and capital asset preservation projects.

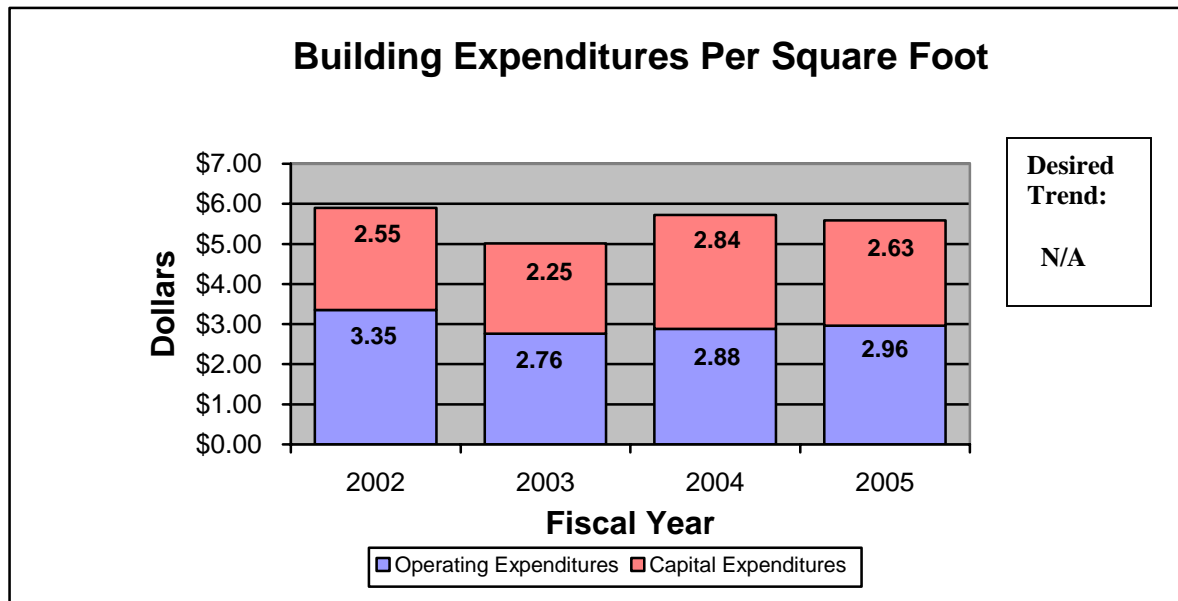
Measurement and Data Collection:

The data is collected based on expenditures recorded in the statewide financial accounting system. The following expenditures are included in the analysis: the cost of labor, benefits, and materials for central office facilities management and facilities maintenance. It does not include the employer's share of Social Security/ Medicare taxes and the department's match for deferred compensation. Operating expenditures, including repair supplies, custodial supplies, janitorial and other services, maintenance and repair services, building and storage leases, and utilities have been included. Capital expenditures include new construction and asset preservation projects.

Improvement Status:

As operational needs developed, extra consideration and funding were expended to repair/replace with energy efficient options. These improvements have included, but are not limited to, installing energy efficient windows, overhead doors, and new HVAC system and insulating maintenance bays. We anticipate a decrease in capital expenditures in FY 06 due to a decrease in budget allocation. Energy efficient upgrades made will decrease FY 06 operating expense if not offset by inflationary increases.

Several sources, including other DOT's, trucking companies, federal agencies and reference manuals do not track the specific benchmark data we are using. We are continuing our search for more realistic benchmark data to use in future reports.



Best Value for Every Dollar Spent

Building, Fleet, and Information System equipment and expense expenditures compared to MoDOT's program expenditures

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Debbie Rickard, Assistant Controller

Purpose of the Measure:

This measure tracks the Department's building, fleet, and information systems expenditures compared to the total of the Department's right of way and construction program expenditures. The Department's awareness of spending related to transportation support systems such as building, fleet, and information systems will be heightened with continued reporting.

Measurement and Data Collection:

The data is based on expenditures recorded in the statewide financial accounting system.

Building expenditures include capital improvements where a building job number has been assigned and operating expenditures, including repair supplies, custodial supplies, janitor and other services, repair service, building and storage leases, and utilities.

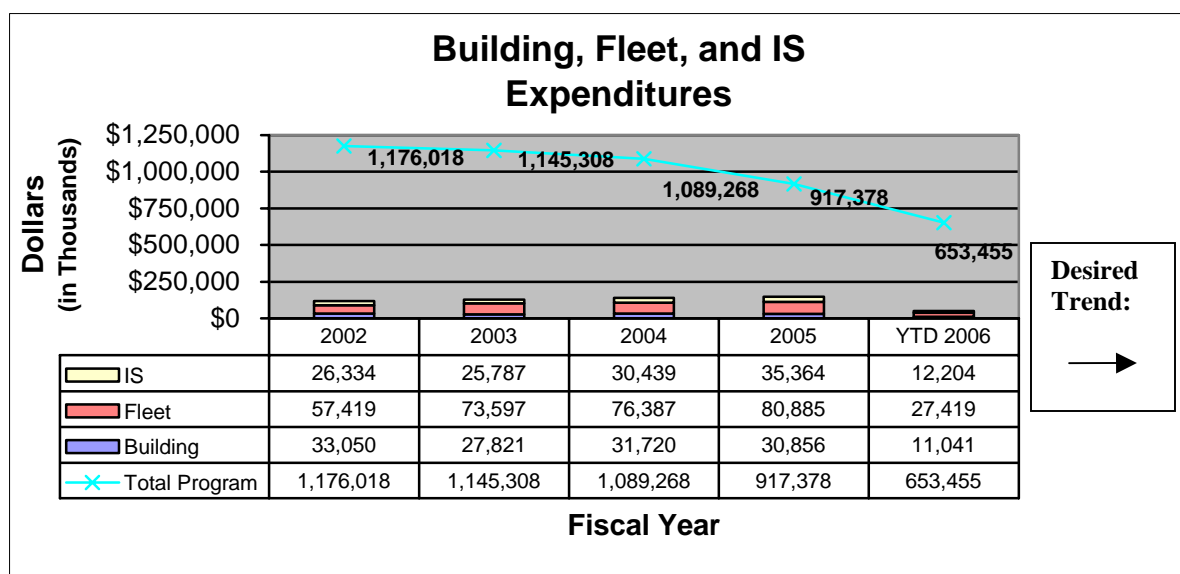
Fleet expenditures include acquisitions, repairs, liability insurance, fuel, and leases for fleet equipment.

IS expenditures include equipment and expense costs associated with District and Central Office divisions. Expenditures classified by divisions and districts included are: information technology supplies, information technology outsourcing, information technology consulting and services, computer hardware and software maintenance services, computer equipment and software.

Total program expenditures include contractor payments, design bridge consultant payments, right of way acquisition costs and federal pass-through expenditures.

Improvement Status:

The desire is to fund maintaining and replacing buildings, fleet, and information systems activities at a core level regardless of the variance in the right of way and construction program. The Department has maintained this trend.



Best Value for Every Dollar Spent

Dollars expended on consultants other than program consultants

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Debbie Rickard, Assistant Controller

Purpose of the Measure:

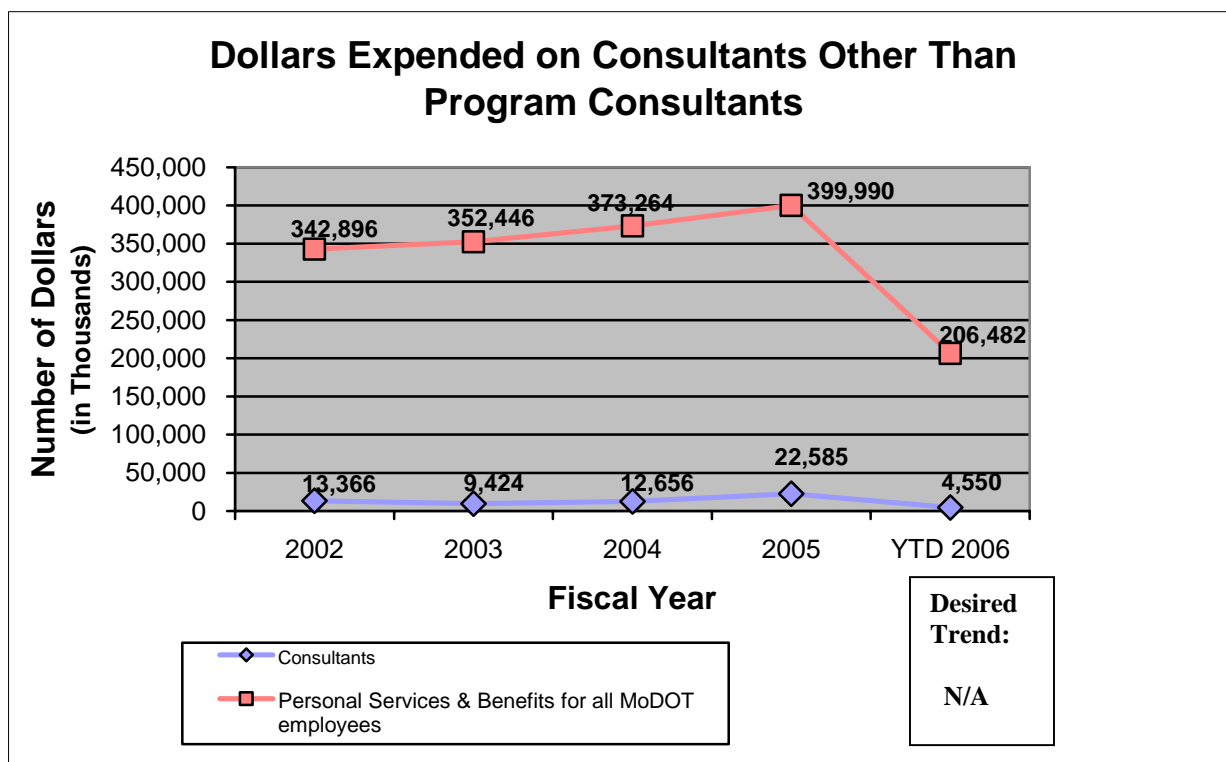
The measure tracks the department's use of consultants for other than right of way and construction. The Department utilizes consultants to complement employee resources and expertise. Reporting heightens awareness and provides a tool to measure the utilization of consultants.

Measurement and Data Collection:

The data is collected based on expenditures recorded in the statewide financial accounting system. The data includes expenditures for professional services and computer information services.

Improvement Status:

Expenditures for consultants in a fiscal year are dependent on the Department's needs. Fluctuations between fiscal years are not abnormal. The Department will continue to utilize non-design consultants for specialized services and to supplement available employee resources. FY 06 IS projects utilizing consultants will include the completion of the Motor Carrier Services' integrated software project, the Realty Asset Inventory Management System, and the State Transportation Improvement Program Enhancement. Estimated consultant costs related to these projects totals \$3.6 million. Other consultant costs in FY 06 will include Missouri Statewide Traveler Information system and the completion of MoDOT Emergency Communication Services system.



Best Value for Every Dollar Spent

Percent of vendor invoices paid on time

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Debbie Rickard, Assistant Controller

Purpose of the Measure:

This measure tracks the Department's timeliness in processing vendor payments.

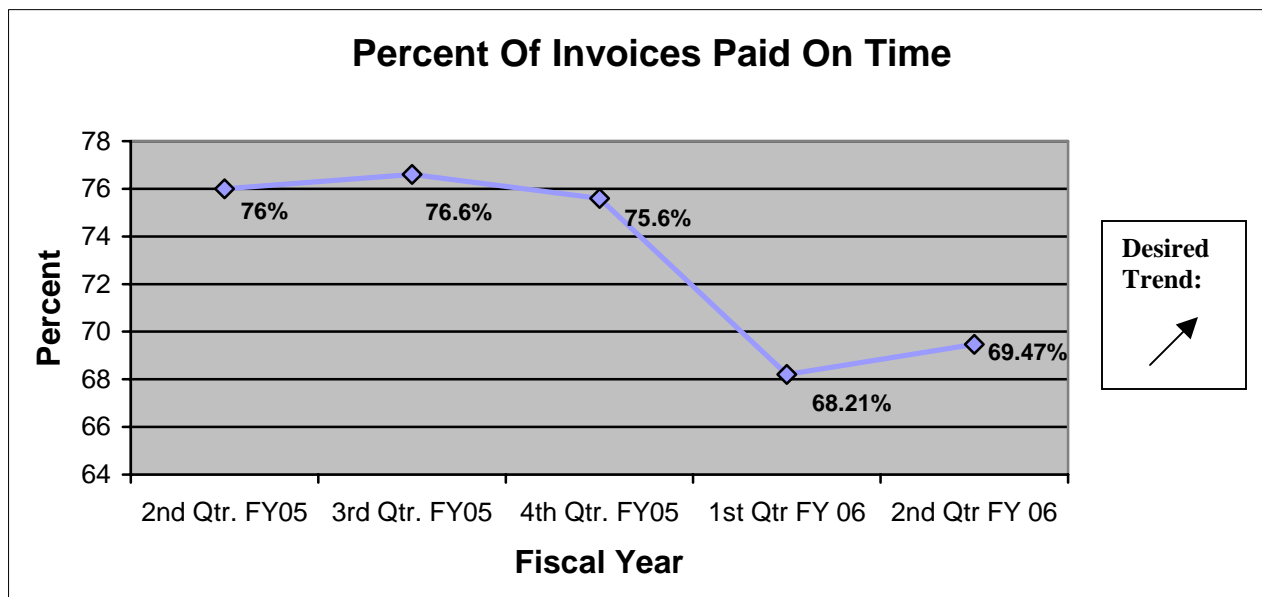
Measurement and Data Collection:

The data is based on check date and the date of service or receipt of goods. The number of days between the date of service or receipt of goods and check date determines if an invoice is paid timely. Timely is defined as a check issued less than 31 days from the date of service or receipt of goods.

Improvement Status:

The percent of invoices paid on time indicates a decrease over the four previous quarters. A slight increase occurred in the second quarter of FY 06. The steps to address the decrease are: (1) Identify vendor types to determine time from date of service to date of invoice to determine if a particular vendor type results in delayed payment (contractors, consultants, product suppliers, utilities, purchase cards) (2) Determine if delayed payments are common to a particular division or district (3) Identify processes contributing to the delayed payment.

Process changes have been identified. Implementation will be in the third quarter of FY 06. The payment cycle will be reduced by an estimated 7 days.



Best Value for Every Dollar Spent

Percent of actual state highway user revenue vs. projections

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Ben Reeser, Finance Coordinator

Purpose of the Measure:

The measure shows the precision of the state highway user revenue projections.

Measurement and Data Collection:

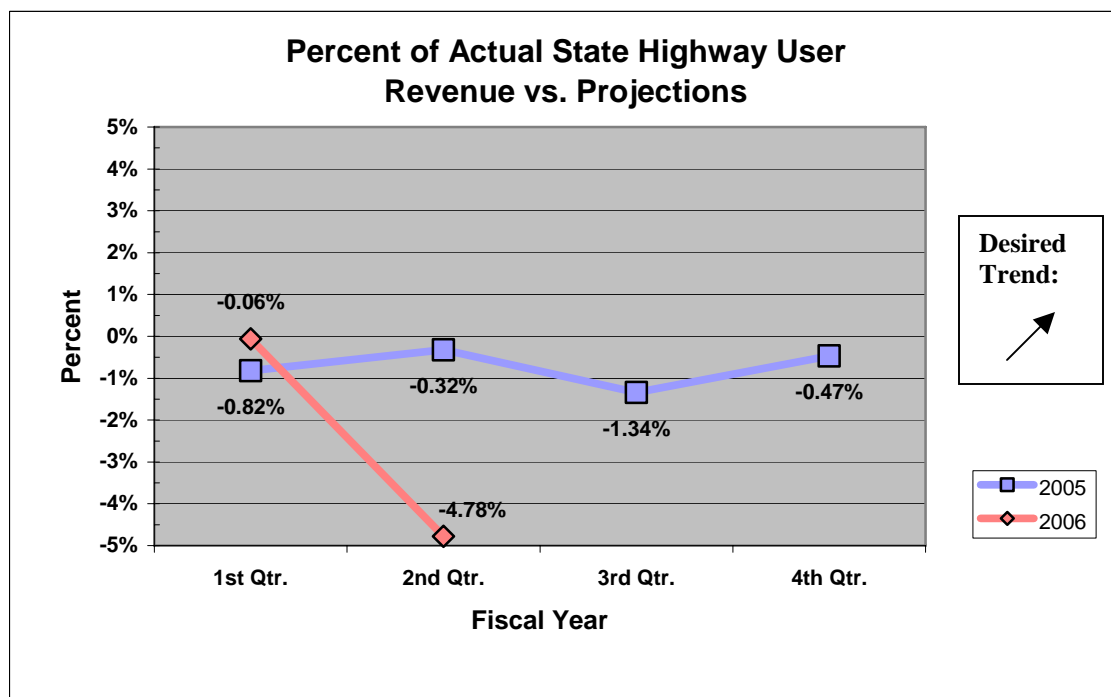
State highway user revenue includes: Motor Fuel Taxes, which are taxes collected on each gallon of motor fuel purchased; License and Fees, which are driver licenses and taxes and fees collected on motor vehicle licensing and registrations; and Sales and Use Taxes, which are taxes collected on the purchase of motor vehicles.

Projections are based on the current financial forecast. Percent is based on year-to-date revenues. The actual data is provided monthly to Resource Management by the Controller's Office.

Improvement Status:

The actual state highway user revenue is less than projections through the second quarter of fiscal year 2006. The revenue was projected to be \$493.7 million. However, the actual receipts were \$470.1 million, a difference of \$23.6 million and a negative variance of 4.78%. The desired trend is for the actual revenue to match projections with a variance of 0%.

MoDOT staff continues to analyze current revenue trends in preparation for the next forecast.



Best Value for Every Dollar Spent

MoDOT national ranking in revenue per mile

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Ben Reeser, Finance Coordinator

Purpose of the Measure:

This measure shows Missouri's national ranking in the amount of revenue per mile that is available to spend on the state highway system.

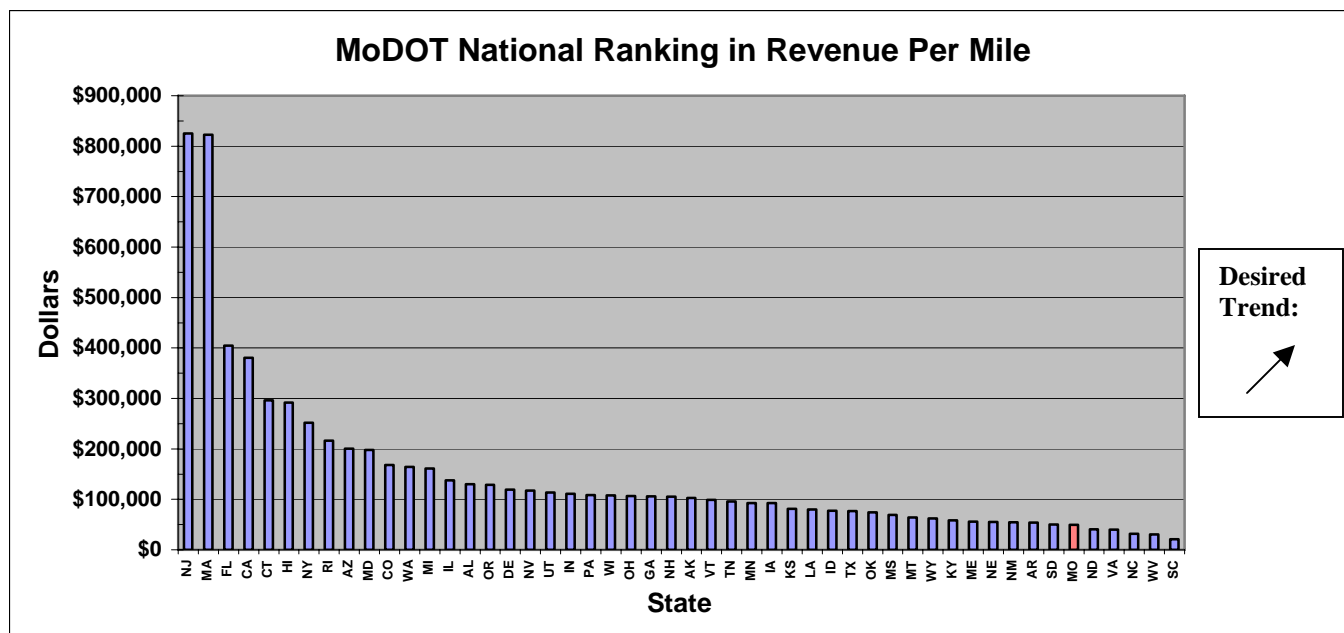
Measurement and Data Collection:

Revenue is the total receipts less bonds as reported in the Federal Highway Administration's annual highway statistics report entitled, *Revenues Used By States For State-Administered Highways* [November 2004]. The mileage is the state highway agency miles as reported in the Federal Highway Administration's annual highway statistics report entitled, *Public Road Length – Miles By Ownership* [October 2004]. Resource Management collects this information from the Federal Highway Administration.

Improvement Status:

Missouri's revenue per mile of \$49,372 ranks 45th in the nation. Missouri has a very large state highway system. Our state highway system has 32,448 miles, which ranks 7th. Most states that have a state highway system of 30,000 to 40,000 miles rank in the 40's for revenue per mile. New Jersey's revenue per mile of \$825,122 ranks 1st. However, their state highway system contains only 2,313 miles. South Carolina's revenue per mile of \$20,818 ranks 50th. Their state highway system contains 41,575 miles.

MoDOT staff continues to communicate with the public the need for additional transportation funding. Our current funding level leaves us well short of what is required to address all of Missouri's transportation needs. Even if Amendment 3 funds (fully phased-in) were added to this analysis, Missouri's ranking would have only moved up to 44th.



Best Value for Every Dollar Spent

Average cost of outsourced design and bridge engineer vs. full costed full-time employee

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Jim Deresinski, Controller

Purpose of the Measure:

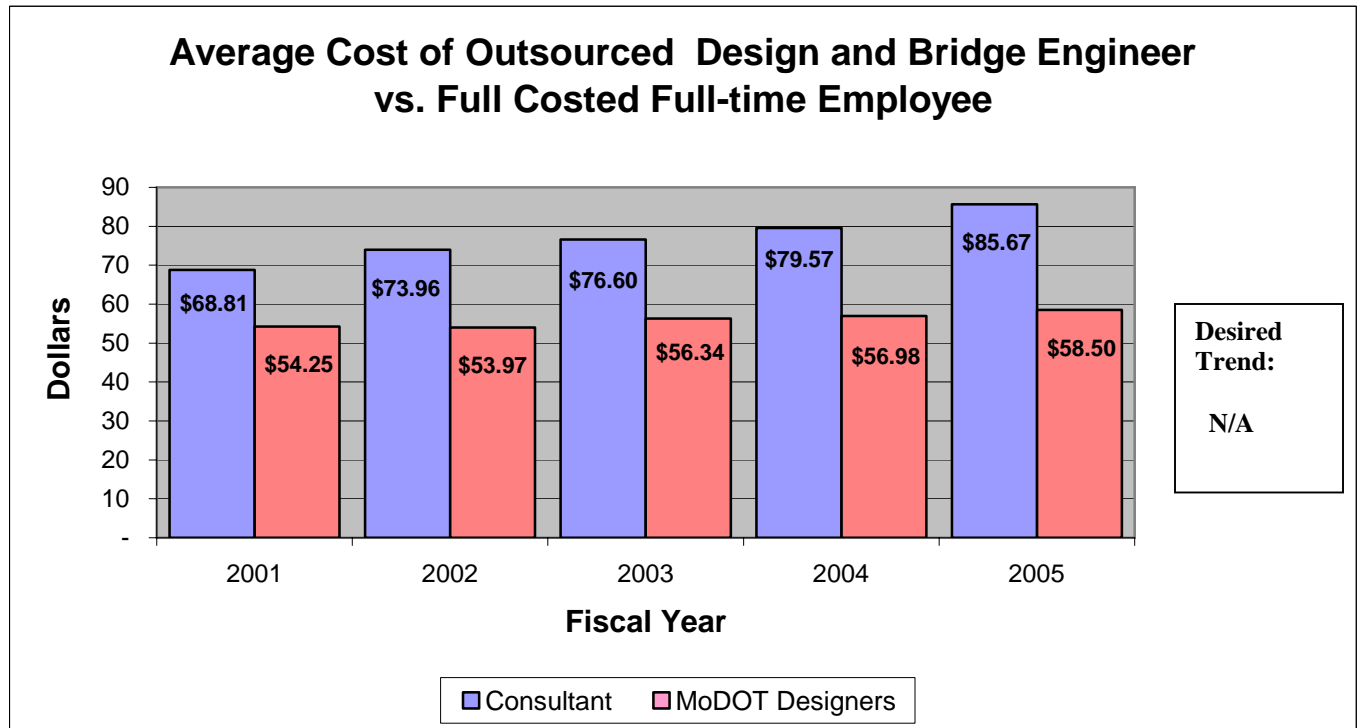
The purpose of the measure is to demonstrate a responsible use of taxpayers' money, with the emphasis of spending for design and bridge engineering efforts.

Measurement and Data Collection:

The data collection is based on outsourced contracts and employee expenditures.

Improvement Status:

The process is to measure external design consultant costs and compare to MoDOT staff design engineer costs. Both categories are fully costed and comparable. Consultant rates increased 7.1% from 2004 to 2005 while MoDOT design and bridge engineer costs increased 2.6% for the same period. The desired trend is to narrow the profit factor gap between the two rates.



Best Value for Every Dollar Spent

Distribution of expenditures

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Jim Deresinski, Controller

Purpose of the Measure:

The purpose of the measure is to demonstrate a responsible use of taxpayers' money, with the emphasis of spending on the construction and maintenance of our transportation system.

Measurement and Data Collection:

The data collection is based on cash expenditures by appropriation. Construction and maintenance expenditures are defined as expenditures from the construction and maintenance appropriations. Other expenditures include: administration, multimodal, and information systems, fleet, facilities, and other services appropriations.

Improvement Status:

The Department's emphasis is on expenditures for routine maintenance of the system (maintenance appropriation) and renovation and construction of the system (construction appropriation). Although the percent of MoDOT expenditures for maintenance decreased, the dollars will increase assuming spending continues at the current rate for the remainder of the fiscal year. Construction expenditures have increased overall, percentage and dollars, as construction projects have accelerated as a result of bond proceeds. Expenditures from appropriations other than construction and maintenance remain constant, which is consistent with the desired trend.

